

**Public Housing Operating Fund
Explanation of Calendar Year (CY) 2019/2020 Final Obligations
from Holdback Reserve for Appeals and Corrections**

Distribution of 2019/2020 Reserve:

In FFY 2019, the Operating Fund program was appropriated two-year funding. Meaning funds appropriated in 2019 may be obligated for over a two-year period (2019 and 2020). For final calendar year end 2019 obligations, the Operating Fund program obligated all funds to PHA projects based on each project's 2019 interim final eligibility, except for a small reserve held over to address HUD corrections. The Department will continue this practice in the future for the use of two-year Appropriations.

In addition to the reserve for corrections, some 2019 de-obligations and repayments (recaptured funds) were also available for distribution. The funds will be made available in eLOCCS. This total amount of funds, minus any corrections, were distributed based to each projects' final eligibility using the final proration 97.86%. The amount of funds distributed was \$4,148,565.